



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 2, 2006

**S. 2012
Magnuson-Stevens Fishery Conservation and Management
Reauthorization Act of 2005**

*As reported by the Senate Committee on Commerce, Science, and Transportation
on April 4, 2006*

SUMMARY

S. 2012 would amend the Magnuson-Stevens Act (MSA) and other laws that govern the conservation and management of fisheries. The bill also would authorize appropriations for fisheries programs carried out by the National Oceanic and Atmospheric Administration (NOAA). Assuming appropriation of the amounts authorized or estimated to be necessary, CBO estimates that implementing S. 2012 would cost nearly \$2.2 billion over the 2006-2011 period. Enacting S. 2012 could also affect revenues (from civil and criminal penalties) and related direct spending, but CBO estimates that any such changes would be insignificant.

Section 4 of the Unfunded Mandates Reform Act (UMRA) excludes from the application of that act any legislative provisions that are necessary for the ratification or implementation of international treaty obligations. CBO has determined that, because titles V and VI of S. 2012 would implement the Western and Central Pacific Fisheries Convention and the Pacific Whiting agreement, respectively, they fall within that exclusion. Thus, CBO has not reviewed those titles for the presence of mandates.

The remaining titles of S. 2012 have no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The funds authorized by the bill would benefit states that implement fish conservation and management initiatives. Any costs they might incur would result from complying with conditions for receiving federal assistance.

The remaining titles (other than titles V and VI) would impose private-sector mandates as defined in UMRA. The bill would require certain recreational fishers in the United States to register in a federal recreational fishery registry. It would require commercial fishing operations to submit to the Secretary of Commerce certain confidential and proprietary information. The bill would reauthorize an existing mandate on owners of vessels that fish

for Dungeness crab by allowing the states of Washington, Oregon, and California to issue permits for Dungeness crab and to collect permit fees. Lastly, it would restrict local fishers off Navassa Island by making them subject to the regulations of the Magnuson-Stevens Act. Based on information from industry and government sources, CBO estimates the direct cost of complying with these mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$128 million in 2006, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2012 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 2012 will be enacted during fiscal year 2006 and that the amounts specifically authorized by the bill or estimated to be necessary will be appropriated for each year. Estimated outlays are based on historical spending patterns for NOAA fisheries programs.

Spending Subject to Appropriation

S. 2012 would authorize the appropriation of \$328 million for 2006 and such sums as may be necessary for fiscal years 2007 through 2012 for fisheries programs carried out under the MSA. All but \$23 million of that authorized amount has already been appropriated for 2006. For the 2007-2011 period, CBO assumes that funding would continue at the 2006 authorized level, adjusted for anticipated inflation.

Based on preliminary information provided by NOAA and other federal and state agencies, CBO estimates that other provisions of the bill would authorize the appropriation of an additional \$584 million over the 2006-2011 period.

In total, CBO estimates that S. 2012 would authorize appropriations (excluding amounts already appropriated for 2006) of about \$2.4 billion over the 2006-2011 period. We estimate that appropriating those amounts would result in about \$2.2 billion in outlays over that period.

	By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law For NOAA Fisheries Programs						
Budget Authority ^a	402	4	4	0	0	0
Estimated Outlays	403	146	61	18	9	8
Proposed Changes:						
MSA Reauthorization						
Estimated Authorization Level	23	338	347	357	366	376
Estimated Outlays	7	227	307	344	358	371
Title I: Conservation Management						
Estimated Authorization Level	0	91	31	32	32	32
Estimated Outlays	0	80	27	30	31	32
Title II: Information and Research						
Estimated Authorization Level	1	13	7	4	2	2
Estimated Outlays	1	8	7	5	3	2
Title III: Other Fisheries Statutes						
Estimated Authorization Level	0	91	91	95	5	0
Estimated Outlays	0	59	79	91	35	13
Title IV: International						
Estimated Authorization Level	0	7	7	8	8	8
Estimated Outlays	0	5	6	7	7	8
Title V: Western and Central Pacific Fisheries Convention						
Estimated Authorization Level	0	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1
Title VI: Pacific Whiting						
Estimated Authorization Level	0	2	2	2	2	2
Estimated Outlays	0	1	2	2	2	2
Total Proposed Changes						
Estimated Authorization Level	24	543	486	498	416	421
Estimated Outlays	8	381	429	481	438	430
Spending Under S. 2012 for NOAA Fisheries Programs						
Estimated Authorization Level ^a	486	487	490	498	416	421
Estimated Outlays	471	467	491	499	447	437

a. The 2006 level is the amount appropriated for that year for programs carried out under the MSA, the Pacific Salmon Treaty Act, and other fisheries statutes. The 2007 and 2008 levels are the amounts authorized to be appropriated by the Yukon River Salmon Act of 2000.

The bill's provisions related to NOAA spending include:

- Title I would address the conservation and management of domestic fisheries by reconfiguring NOAA's limited access programs (which regulate commercial fisheries on the basis of quotas and other allocation strategies), changing the way regional fisheries councils operate, establishing new elements to be included in fisheries management plans, and providing for assistance to fishermen and others harmed by hurricanes and other disasters. CBO estimates that implementing this title would cost \$200 million over the 2006-2011 period. Of this amount, we estimate that \$60 million would be spent in 2007 to modify the terms of existing loans made for financing the costs of purchasing fishing vessels or fish processing facilities.
- Title II would authorize or direct NOAA to establish new research programs, conduct various studies, provide research grants to fisheries councils, and create a registry of recreational boaters. CBO estimates that implementing title II would cost \$26 million over the 2006-2011 period.
- Title III would reauthorize appropriations for conservation and other activities benefitting Pacific and Yukon River salmon, Atlantic striped bass, and sharks. CBO estimates that implementing title III would cost \$277 million over the 2007-2011 period. Nearly all of those funds would be authorized to be appropriated over the 2007-2009 period.
- Title IV would address international compliance with federal laws that govern fishing on the high seas. This title also would reauthorize appropriations under the Atlantic Tunas Convention Act. We estimate that implementing this title would cost \$33 million over the 2007-2011 period.
- Title V would provide for the implementation of the 2000 Convention on the Conservation and Management of the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. We estimate that implementing this title would cost \$5 million over the 2007-2011 period.
- Title VI would provide for implementation of the 2003 Agreement between the United States and Canada on Pacific Hake/Whiting and would authorize the appropriation of whatever amounts are needed for that purpose. We estimate that implementing this title would cost \$9 million over the 2007-2011 period.

Revenues and Direct Spending

Enacting S. 2012 would increase federal revenues by establishing or raising criminal and civil penalties for violations of the Magnuson-Stevens Act and other fisheries statutes. CBO estimates that such increases would total less than \$500,000 in any fiscal year.

Most amounts collected from criminal penalties would be deposited into the Crime Victims Fund and spent without further appropriation. Other criminal and some civil penalties would be retained by NOAA or the Department of Justice and spent without further appropriation.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

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The remaining titles of S. 2012 have no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The funds authorized by the bill would benefit states that implement fish conservation and management initiatives. Any costs they might incur would result from complying with conditions for receiving federal assistance.

The remaining provisions of S. 2012 (other than titles V and VI) would impose private-sector mandates as defined in UMRA. S. 2012 would:

- Require certain recreational fishers in the United States to register in a federal recreational fishery registry;
- Require commercial fishing operations to submit to the Secretary of Commerce certain confidential and proprietary information;
- Reauthorize an existing mandate on owners of vessels that fish for Dungeness crab by allowing Washington, Oregon, and California to issue permits for Dungeness crab and to collect permit fees; and
- Restrict local fishers off of Navassa Island by making them subject to the regulations of the Magnuson-Stevens Act.

Based on information from industry and government sources, CBO estimates that the direct cost of complying with those mandates would fall below the annual threshold for private-sector mandates established in UMRA (\$128 million in 2006, adjusted annually for inflation).

Federal Recreational Fishery Registry

Section 201 would require certain recreational fishers to register in a federal recreational fishery registry. The fishers would be required to register if they:

- Recreationally fish in the Exclusive Economic Zone of the United States;
- Recreationally fish in the Continental Shelf fisheries outside the U.S. Exclusive Economic Zone; or
- Recreationally fish for anadromous species (fish that migrate from their primary habitat in the ocean to freshwater to spawn).

The Secretary of Commerce may determine that existing state registries are sufficient for this purpose. However, several states do not currently require saltwater licenses for individuals who fish in their states. NOAA estimates that the recreational fishery registry could affect 13 million to 17 million individuals. Based on information from government sources, CBO estimates that the direct cost of this provision would not be large.

Collection of Additional Data

Section 202 would require commercial fishing operations to submit to the Secretary of Commerce certain confidential and proprietary information if the Secretary determines that data currently collected are not sufficient to aid in the creation of fishery management plans. The Secretary already collects extensive data from commercial fishing operations, so the cost to the industry of submitting additional data would likely be small.

Federal Requirement for State Fishing Permit

Section 302 would reauthorize an existing mandate on owners of vessels that fish for Dungeness crab by allowing Washington, Oregon, and California to issue permits for Dungeness crab and to collect permit fees. The Dungeness Crab Conservation and Management Act, which is set to expire on September 30, 2006, prohibits vessels from fishing for Dungeness crab in the Exclusive Economic Zone adjacent to the states of Washington, Oregon, and California without state permits or a federal court order. Based on information provided by the Washington Department of Fish and Wildlife, the Oregon Department of Fish and Wildlife, and the California Department of Fish and Wildlife, CBO estimates that the direct cost of extending the existing mandate would be small.

Regulation of Fisheries Adjacent to Navassa Island

Section 102 would restrict local fishers off of Navassa Island by making them subject to the regulations of the Magnuson-Stevens Act. Navassa Island is an uninhabited, unincorporated territory of the United States that lies off the west coast of Haiti. It is roughly two square miles in size. Most of the fishing off the island is done by local, subsistence fishers from Haiti who are not currently regulated under the act. If regulated under the act, all individuals who fish in the waters off the island would be subject to the fishery management plan established for the Caribbean region. Because this provision would affect so few people, CBO estimates that the cost of this provision would be small.

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